NOVEMBER/DECEMBER 2025

23PCM22 — CORPORATE ACCOUNTING

Time : Three hours Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer ALL the questions.

Shanmuga Industries Arts & Science College T.V.Malai

1. Define the term Shares.

2. State the meaning of Debentures.

3. Explain the concept of Life Assurance Fund.

4. What do you understand by the term Reversionary Bonus?

5. Illustrate with an example what is meant by a Holding Company.

6. How is Minority Interest shown in consolidated financial statements?

7. List out the benefits of Human Resource Accounting.

8. Write a short note on the Replacement Cost Approach.

9. Why are Accounting Standards necessary in financial reporting?

10. Suggest examples of Intangible Assets in a business enterprise.

SECTION B — ($5 \times 5 = 25$ marks)

Answer ALL the questions.

11. (a) On 1 .1.2008, R Ltd., offers 10,000 shares of Rs. 10 each payable as follows:

On Application	Rs. 3 per share
On Allotment	Rs. 2 per share
On First call	Rs. 3 per share
On Final call	Rs. 2 per share

All the shares are subscribed and amounts duly received pass journal entries.

Or

20. Sing Co., Ltd Finalized its accounts for the year ended 31.3.2006 and found the following items as part of their accounts.

(a) Settlement received from I.T. department relating at a case pending for the past 9 years Rs. 6 cores.

(b) Previous Year's closing stock was under stated by Rs. 4,00,000 due to error of under casting in s stock sheets.

(b) ABC Ltd issued 1,000 12% debentures of Rs. 10 each. Give journal entries under two situations:

(i) Issued at a premium of 10%

(ii) Issued at a discount of 10%

12. (a) What are the schedule prepared to finalize life insurance?

Or

(b) The Life fund of a Life insurance Company an 31.3.2006 showed a balance of Rs. 54,00,000, However, the following items were not taken into account while preparing the revenue A/c for 2005-06:

		Rs.
(i)	Interest and dividends accrued on investments	20,000
(ii)	Income tax deducted at source on the above	6,000
(iii)	Reinsurance claims recoverable	7,000
(iv)	Commission due on reinsurance premium paid	10,000
(v)	Bonus in reduction of premiums	3,000

13. (a) From the following Balance sheet relating to H ltd. And S Ltd. Prepare a consolidated Balance sheet.

Balance Sheet as on 31.12.1992

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
	Rs	Rs		Rs	Rs
Share capital (share Of Rs.10 each)	10,00,000	2,00,000	Sundry fixed assets	8,00,000	1,20,000
Profit and loss A/c	4,00,000	1,20,000	Stock	6,10,000	2,40,000
Reserves	1,00,000	60,000	Debtors	1,30,000	1,70,000
Creditors	2,00,000	1,20,000	Bills receivable	10,000	
Bills payable		30,000	Shares in 'S' Ltd at Cost (15,000 shares)	1,50,000	
	17,00,000	5,30,000		17,00,000	5,30,000

(i) All profits of S Ltd. have been earned after the shares were acquired by H Ltd. But there was already a reserve of Rs. 60,000 on that date.

Liabilities	H Ltd Rs.	S Ltd. Rs.	Assets	H Ltd Rs.	S Ltd. Rs.
Profit and loss A/C	70,000	50,000	Stock	1,75,000	1,89,000
Creditors	90,000	60,000	Debtors	55,000	30,000
			Cash at bank	50,000	10,000
			Preliminary exps	—	6,000
	9,10,000	3,80,000		9,10,000	3,80,000

H Ltd. acquired the shares of S ltd .on 30th June 1994. On 1st April 94, S Ltd.'s General reserve and Profit and loss A/c stood at Rs. 60,000 and 20,000 respectively. No part of the preliminary expenses was written off in the year ended 31.3.95.

Prepare consolidated Balance sheet of H Ltd and its subsidiary S Ltd. as on 31.3.95. Giving all your working notes separately.

19. State the types of Human resources Valuation?

You are the required to prepare statement of profit &loss for the year ended 31.12.1985 and a balance sheet as on that date. The following information is given.

(a) Closing stock was valued at Rs. 1,91,500

(b) Depreciation on plant at 15% and on furniture at 10% should be provided.

(c) A Tax provision of Rs. 8,000 is considered necessary.

(d) The directors declared an interim dividend on 15.8.85 for 6 months ending June 30 1985 @ 6%

(e) Provide for corporative dividend tax @ 17%

17. What is valuation balance sheet? Why is it prepared?

18. The following are the balance sheet of H Ltd. And its subsidiary S Ltd as on 31.3.1995

Liabilities	H Ltd Rs.	S Ltd. Rs.	Assets	H Ltd Rs.	S Ltd. Rs.
Share capital			Machinery	3,00,000	1,00,000
Rs. 10 each fully	6,00,000	2,00,000	Furniture	70,000	45,000
General reserve	1,50,000	70,000	70% shares in S Ltd. in cost	2,60,000	—

Shanmuga Industries Arts & Science College T.V.Malai

(ii) All the bills payable of S Ltd. were accepted in favour of H Ltd.

(iii) The stock of H Ltd. Includes Rs. 50,000 purchased from S Ltd.

The profit added was 25% on cost.

Or

(b) The Balance sheet of C Ltd and D Ltd .as at December, 1998 are as follows.

Liabilities	C Ltd Rs.	D Ltd Rs.	Assets	C Ltd Rs.	D Ltd Rs.
Share capital (in shares of Rs. 10 each)	2,00,000	1,00,000	Sundry assets	1,32,500	1,38,200
General reserve	18,000	20,000	Goodwill	–	20,000
Profit and loss A/C	24,500	23,000	Shares in D Ltd at cost	1,40,000	–
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	1,58,200

In the case of D Ltd., profit for the year ended 31st December 1986 is Rs. 12,000 and transfer to reserve is Rs.5,000, the holding of C Ltd in D Ltd is 90% acquired on 30th June 1986.

Draft a consolidated Balance sheet of C' Ltd and its subsidiary.

14. (a) Explain the valuation of Human resources.

Or

(b) What is a consolidated balance sheet?

15. (a) What are the objectives of accounting standards?

Or

(b) How many features of depreciation Accounting?

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

16. Moon and stars co .Ltd, is a company with an authorized capital of Rs. 5,00,000 divided into 5,000 equity shares of Rs. 100 each on 31.12.1985 of which 2,500 shares were fully called up. The following are the balances extracted from the ledger as on 31.12.1985.

Trial balance of Moon & State Co. Ltd.

Debit	Rs.	Credit	Rs.
Opening stock	50,000	Sales	3,25,000
Purchase	2,00,000	Discount received	3,150
Wages	70,000	Profit & Loss A/c	6,220
Discount allowed	4,200	Creditors	35,200
Insurance (upto 31.3.86)	6,720	Reserves	25,000
Salaries	18,500	Loan from Managing Director	15,700
Rent	6,000	Share Capital	2,50,000
General expenses	8,950		
Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Calls in Arrears	5,000		
	6,60,270		6,60,270